

EXHIBIT 12

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)

JED PHILIP KAPLAN)
KAPLAN & CO. SECURITIES, INC.)

ADMINISTRATIVE ORDER
NO. CD-2003-00 14

)
)
RESPONDENTS)

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. KAPLAN & CO. SECURITIES, INC. ("KCSI"), is represented to be a Florida domiciled corporation, registered as a BD in the state of Florida, et al (**not Alabama**), with a business address of 225 NE Mizner Blvd., Suite 524, Boca Raton, FL 33432.

2. JED PHILIP KAPLAN ("KAPLAN"), is represented to be the CEO of KCSI, and is registered in the state of Florida, et al (**not Alabama**), with a business address of 225 NE Mizner Blvd., Suite 524, Boca Raton, FL 33432.

STATEMENT OF FACTS

3. On May 8, 2003, KCSI electronically filed a Form BD, through the National Association of Securities Dealers, Inc., Central Registration Depository ("NASDCRD"), for registration as a dealer in the state of Alabama. On May 9, 2003, a letter was

dispatched to KAPLAN which enumerated certain documentation and information that must be provided as part of the application for registration, among which was a requirement to furnish a statement concerning any prior sales activity that had occurred in the state of Alabama. KAPLAN was advised that failure to file a complete application may result in denial of the application and that the notification constituted an Order of the Commission deferring the registration effective date until such time as all deficiencies were resolved and an Order of Registration issued. No response was received and by letter, dated June 13, 2003, KAPLAN was advised that if the application was not withdrawn or a response received resolving the deficiencies within 14 days of his receipt of the letter, action would be taken to initiate denial proceedings. **NOTE: As of the date of this Order, no response has been received from KAPLAN or any other member of KCSI.**

4. On May 9, 2003, a visitation letter was dispatched to KCSI's clearing firm, Bear Stearns Securities Corp. ("Bear Stearns"), for a listing of Alabama clients of KCSI, and documents, including transaction reports detailing transactions and date of transactions, if any.

5. On June 9, 2003 and July 3, 2003, the Commission received transaction information from Bear Stearns reflecting KCSI has 3 accounts opened with Alabama residents, account #755-31673-1-8 opened 12/13/99 (10 buys and 3 sales); account #755-31725-1-6, opened 04/05/00 (1 buy), and account #755-95742-1-0, opened 04/05/00 (61 buys and 82 sales).

6. Review of the files of the Commission, disclosed no record of registration or exemption from registration of KCSI or KAPLAN as a dealer or agent in the state of Alabama. **Files did reflect that on January 10, 2000, KCSI filed an application for registration as a BD in the state of Alabama, with the Commission. A deficiency letter was dispatched to KCSI on January 21, 2000 and followed up by a tracer on March 23, 2000. However, no response was received and on October 18, 2000 an Order of Denial, Administrative Order No. OD-2000-0072, was issued to KCSI.**

CONCLUSIONS OF LAW

7. KCSI and KAPLAN are not registered nor exempt from registration as a dealer or agent in the state of Alabama, and have effected securities transactions with residents of the state of Alabama.

8. Transacting business in the state of Alabama as a dealer or agent, without benefit of registration or exemption from registration, is a violation of Section 8-6-3(a), Code of Alabama 1975.

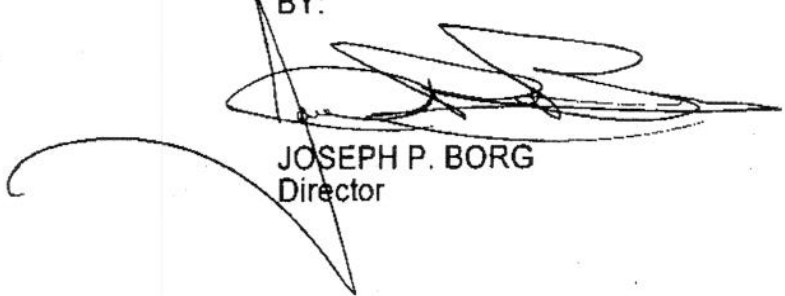
This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

ACCORDINGLY, IT IS HEREBY ORDERED that KCSI and KAPLAN immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 15th day of July, 2003.

ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
Montgomery, AL 36130-4700
(334) 242-2984
BY:


JOSEPH P. BORG
Director

